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# Managing YOUR Software Assets

## How to Keep your Agency Compliant

Microsoft has devised a nine-point compliancy assessment plan. The following outline helps agencies understand the level of support needed to implement an effective software asset-management program.

1. Record the number of workstations and servers your agency currently has in use.
2. Catalog all software applications installed on those workstations and servers.
3. Document all software licenses and identify which machines do not have adequate licenses.
4. Catalog vendors of all software purchases.
5. Identify sources of all license upgrades.
6. Identify all networked workstations.
7. Identify all networks' Client Access Licenses.
8. Develop an agency software budget.
9. Promote a policy for acquiring, installing and using software and purchasing software licenses.

For more information, visit  
[www.microsoft.com/piracy/samguide](http://www.microsoft.com/piracy/samguide)


Government IT and purchasing departments face increasing challenges tracking the software applications they are buying and using. A proactive software asset-management program can minimize these challenges by ensuring that all software is legally obtained and all machines are running adequately licensed programs.

### Fighting Fraud

In efforts to secure the lowest bid for software, agencies are often subject to unscrupulous vendors that attempt to defraud the government by offering counterfeit software at unusually low prices.

"We have seen many instances of state, local and federal agencies acquiring counterfeit software from low bid vendors," said Nick Psychogeos, a corporate attorney for Microsoft. "Agencies relying solely on pricing criteria are increasingly being targeted by illegal suppliers."

The software these vendors offer, which are illegally reproduced and distributed, can end up costing agencies far more than genuine products. These untested, counterfeit disks may be infected with viruses that can cripple a network. In addition, only properly licensed software is eligible for technical support, discounted upgrades and warranty protection. Improper licensing can also include versions such as those marked "Academic Edition," "Not For Resale" or "Not For Retail or OEM Distribution," which leave ineligible users without the legal right to use that software.



If unlicensed software is detected during an audit, agencies will be responsible for replacing that software without any assurance of reimbursement from the illegal supplier.

Software piracy not only harms consumers, it negatively impacts the economy. According to a recent study by Nathan & Associates, a Virginia-based economic consulting firm, in 1999 25 percent of all business software programs installed on PCs in the U.S. were unlicensed, costing the economy 109,000 jobs, \$4.5 billion in wages and nearly \$1 billion in tax revenue.

In late 1998, President Clinton set a global example for government protection of intellectual property by signing an Executive Order on Computer Software Piracy. The Order requires all federal agencies to establish policies and procedures that ensure strict compliance with copyright laws and software licensing requirements.

## Managing Licenses, Improving Performance

As agencies invest more in technology, software asset-management plays an increasingly critical role in promoting efficiency, productivity and performance.

“One division within an agency might be over-licensed yet another might be under-licensed,” said Psychogeos. “Without an effective software management program, the agency may end up unnecessarily buying additional licenses.” Loose practices may also lead an agency to buy full versions of software when only upgrades are needed. In addition, they may fail to take advantage of discounts through volume licensing programs, opting instead to purchase directly from retail stores.

## Protecting Your Agency

Microsoft offers two free resources to help agencies fight fraud and manage intellectual property.

The **Anti-Piracy Business Desk** is dedicated to helping agencies steer clear of illegal software vendors.

Agencies facing competitive bid situations or suspect they may have obtained illegal Microsoft software can send a detailed report to [piracy@microsoft.com](mailto:piracy@microsoft.com) and type “AP Business Desk” in the subject line. A Business Desk representative will contact the customer within 72 hours and offer assistance in acquiring authentic Microsoft products.

The **Software Asset Management Guide**, located at [www.microsoft.com/piracy/samguide](http://www.microsoft.com/piracy/samguide), lists the risks of pirated and unlicensed software, as well as guidelines to ensure the successful implementation of an agency-wide software management program. Agencies can also learn how to evaluate their compliance status by conducting an inventory of their software assets.

Microsoft and the Business Software Alliance have posted additional information about piracy and software management on their Web sites located at:

- [www.microsoft.com/piracy](http://www.microsoft.com/piracy)
- [www.bsa.org](http://www.bsa.org)

Among other things, agencies are urged to incorporate the following guidelines when implementing a software asset-management program:

- Acquire Microsoft software from Authorized Government Resellers.
- Issue an agency-wide policy statement confirming your agency's compliance with copyright law.
- Appoint a software asset manager to oversee all purchases and deployments.
- Teach staff how to identify counterfeit software and prevent unlicensed installs and usage.
- Conduct yearly audits of all computers with periodic spot-checks throughout the year.
- Purchase software through discount volume license programs.
- Report software piracy by calling 1 800 RU-LEGIT or sending e-mail to [piracy@microsoft.com](mailto:piracy@microsoft.com).

By implementing an effective software management program, agencies can greatly reduce or eliminate the risk of acquiring or using illegal software. Following these basic steps will go a long way toward helping your agency maximize the performance and efficiency of its ever-expanding technology assets.

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